

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

**Re: D.I. 435, 570, 572, 573, 574, 575, 576,  
577, 578, 646, 675, 712**

**SUPPLEMENTAL DECLARATION OF MICHAEL S. PIPER IN FURTHER SUPPORT  
OF MOTION OF DEBTORS FOR ENTRY OF ORDER (A) APPROVING THE  
PRIVATE SALE OF CERTAIN OF DEBTORS' ASSETS FREE AND CLEAR OF  
LIENS, CLAIMS, AND ENCUMBRANCES, WITH SUCH INTERESTS TO ATTACH  
TO THE PROCEEDS, AND (B) GRANTING RELATED RELIEF**

Michael S. Piper, of full age, hereby declares as follows pursuant to 28 U.S.C. § 1746:

1. I am the managing member of AF Newco I ("Purchaser"). Purchaser is the proposed purchaser of certain assets, including but not limited to thirty unexpired leases of nonresidential real estate (the "Acquired Leases") from the above-captioned debtors in possession

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<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

(the “Debtors”) pursuant to an asset purchase agreement between Purchaser and certain of the Debtors (the “Purchase Agreement”), on the terms and conditions set forth in the Purchase Agreement. I submit this declaration in support of the Debtors’ motion (the “Motion”) [D.I. 435] for approval of the Purchase Agreement, and in support of the assumption and assignment of the remaining Acquired Leases.

2. Purchaser is a newly formed Delaware limited liability company with \$35 million of committed equity capital from three individuals and two institutions:

- **Brent Turner** is the CEO of Motus Advisors. Mr. Turner also serves as a member of the board for The Aaron’s Company and Saint Services. Mr. Turner spent 5 years as the CEO of Liberty Tax Service. He founded Specialty Consumer Services in 2012, which was sold in 2016 to MetaBank. As a serial entrepreneur, Brent was the principal for several companies in the Rent-to-Own industry doing business as Flexi Compras. These retail operations were later sold to Buddy’s Home Furnishings. Mr. Turner has served as EVP, Head of Consumer Lending and Tax for Meta, President of e-Commerce and Card Services for EZ Corp, Vice President of Financial Services for Rent A Center, as well as other posts during his employment. Mr. Turner received his BBA in Finance from West Texas A&M University and holds an MBA from Southern Methodist University.
- **Jack Kleinert** is the Co-Founder, CEO, and Board Member of a consumer-focused financial services organization. From 1982 to 1997 Mr. Kleinert was employed by Goldman Sachs trading municipal products. He was appointed head of the Municipal Trading Desk in 1991 and was elected a general partner in 1994. In 1997, he retired from Goldman Sachs and became a limited partner. He has also been engaged in several entrepreneurial business ventures. Mr. Kleinert earned a Bachelor of Science degree in Chemical Engineering from Princeton University in 1981.
- **Michael S. Piper** – In addition to my role as Managing Member of Purchaser, I am the CFO and a Board Member of a consumer-focused financial services organization, which I joined in October 2022. I was previously the CFO for publicly traded Liberty Tax Service, Inc., a predecessor entity to Franchise Group, Inc. I left Liberty Tax in June 2022.
- **Frontier Capital Management LLC** is a private equity fund based in Dimmitt, Texas. Since inception in 1991, the company has concentrated its investment portfolio around middle market companies and real estate.
- **American First Finance** is a subsidiary of FirstCash Holdings, Inc (NASDAQ: FCFS), which has a market capitalization of over \$5 billion, is a leading consumer financial technology company that provides alternatives to traditional retail lending and designs solutions to support both businesses and their financially underserved or overlooked

customers.

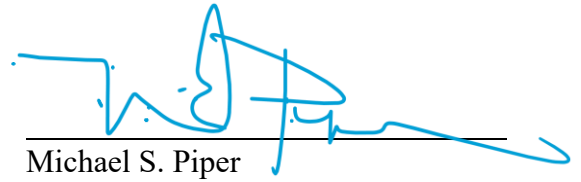
3. Purchaser is in the process of hiring experienced members of American Freight's former management team and former employees of American Freight at the store level, bringing to bear substantial industry savvy, operational expertise, and institutional knowledge.

4. Purchaser has already purchased nearly \$10 million (cost value) of inventory from Sellers at the conclusion of Sellers' going-out-of-business sales, has paid \$1.12 million to the Debtors at the closing of the Sale (plus cure costs owed to landlords for the Acquired Leases that were approved by the Initial Sale Order), pre-funded January rent for all of the Acquired Leases, and has over \$8 million of cash and no debt as of the Sale closing. A pro forma post-closing balance sheet for Purchaser is annexed hereto as **Exhibit A**.

[ *signature page follows* ]

I declare that the foregoing is true and correct to the best of my knowledge, understanding,  
and belief as of the date hereof.

Dated: January 17, 2025  
Virginia Beach, Virginia



Michael S. Piper